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STATE OF MAINE

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July 12, 1989

CAD Bulletin #89-5

TO:

FROM:

Barbara R. Alexander, Director, Consumer Assistance Division

Chapter 81, Disconnection and Deposit Pull

Utility Service - Disput

SUBJECT:

On August 19, 1987, the CAD issued CAD Bulletin 87-7, 'Dispute Procedures, which discussed the provisions of the then current Chapter 81, Section 6(A). Many utilities have requested further clarification of these procedures in light of the significant amendments to Chapter 81 that were adopted in August, 1988. Specifically, utilities have asked whether the guidance given to utilities on Section 6(A) are applicable to Section 13 in revised Chapter 81.

The amendments to Chapter 81's dispute procedures were based in large part on the CAD Bulletin 87-7. Specifically, Chapter 81 now requires:

1. Utilities must maintain a separate written record of any dispute according to Section 16(A)* of Chapter 81. This written record is not satisfied by merely recording the contact and the utility response on a utility's computerized billing and payment system. The written record must,

Utilities with less than 1,500 residential customers are exempt from the record keeping requirements of Section 16(A), but are required to comply with the dispute resolution procedures of Section 13.

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at a minimum, record the customer's name, address, nature of the dispute, date of the contact, a description of the nature and results of the investigation, response to the customer, and the utility employee who resolved or responded to the dispute. You should maintain separately identifiable written records of these disputes in order to track and analyze complaints and their resolution. While it is not necessary for you to respond to every dispute in writing to a customer, you must have a written record of your investigation and the final resolution of the dispute. You must be able to produce a dispute record by customer name, as well as track all disputes for the annual reporting requirement in Section 16(B). Although you are not required, the CAD encourages you to track disputes or complaints by category as well.

Not every contact from a customer is a "dispute." Section 2(I) of Chapter 81 defines this term. The initial contact by a customer is not a dispute until the utility has given an initial response to the customer's complaint or question. If the customer is dissatisfied with the initial response from the utility, a dispute exists and a record should then be created. This record should be started when the utility knows the customer is dissatisfied with the utility's initial response. This definition does not focus on who resolved the dispute within the utility. Instead, the focus is on the initial response to the customer and the customer's degree of satisfaction with that response. A utility may want to refer dissatisfied customers to upper level management in an attempt to resolve the dispute. Utilities are encouraged to do so. However, the utility must keep a record of this dispute even though it was satisfactorily resolved at a second level without involving the CAD. When a customer is dissatisfied with a utility's initial response, the utility must either refer customers to another level of management to resolve the dispute or tell customers orally of their right to appeal to the CAD. The CAD will resolve the dispute and may investigate the company's good faith efforts to resolve the dispute.

Utilities often ask how they are to know whether or not a customer is satisfied. The answer is simple. Ask! Encourage customers to express their concerns so that you will not be surprised by a subsequent appeal to the CAD and a more costly appeal process. Communicating with your customers provides you with valuable insight into the effectiveness of your collection programs as well as measuring customer satisfaction.

3. The definition of dispute does not require that the customer allege a wrongdoing (i.e., violation) by the utility. It only requires that the customer express dissatisfaction or a grievance with a utility action. Any dispute with respect to the provision of residential service or the collection of the utility's bill should be handled pursuant to the procedures set forth in Section 13(B) of Chapter 81.

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4. If the dispute involves a pending disconnection, a utility has an additional duty. A utility must halt disconnection while a dispute is investigated. Once you have completed your investigation and responded to the customer, you must tell the customer about their right to appeal the decision to the CAD. If the disconnection notice has not expired (i.e., the notice period plus 10 business days) and the customer has not appealed the utility's resolution within 2 business days, the utility may proceed with the disconnection. It is the CAD's responsibility to notify you that a customer has registered an appeal with us and we will do so.

This is an informal staff interpretation of Chapter 81. You, of course, have the right to request a more formal Advisory Ruling from the Commission pursuant to Chapter 11, Section 5 of the Commission's Rules.

BA/am

Disputes

Chapter 81, Section 13

-- You must not threaten disconnection if the customer:

"Disputes liability for all or any portion of a bill, deposit request, the terms of a payment arrangement, or the terms required by a utility in order to obtain service or avoid disconnection."

-- You must:

- investigate the dispute; and
- keep a <u>record</u>* of your investigation; and
- report the results the customer; and
- 4. attempt in good faith to resolve the dispute.
- -- If you and the customer cannot resolve the dispute, you must:
 - orally inform the customer of right to appeal to the CAD;
 - 2. give CAD's toll free number; and
 - delay disconnection for 2 business days. (You can not disconnect service for a <u>disputed</u> amount during a CAD investigation)
- * "Record" (Section 16) means it must be:
 - 1. a separately identifiable written record
 - 2. kept at least 2 years
 - 3. available for Commission examination
 - 4. include the individual's name and address, date, subject matter, investigation, all communications, and adjustment or resolution.

- Dispute. "Dispute" means a grievance of a customer or applicant about a utility's application of any provision of this Chapter. Situations of dispute include, but are not limited to:
 - credit determination;
 - deposit requirements:
 - the accuracy of meter readings or bill amounts;
 - the proper person to be charged:

 - the terms of a payment arrangement; the terms in order avoid a pending disconnection; and
 - the terms in order to obtain a reconnection.

It a customer or applicant has a grievance and then indicates that the response from the utility's employee was satisfactory, the contact between the customer or applicant and the utility will not be considered a dispute.